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SUBJECT: ROSATOM STATE CORPORATION GETS UNDERWAY

REF: 07 Moscow 5408

- 11. (SBU) Prime Minister Zubkhov officially appointed Sergey Kiriyenko Director General of the newly formed Rosatom State Corporation on February 4. Natasha Klishina, head of the Bilateral Cooperation Section of Rosatom's International Department, reviewed with us February 5 the state of play in the transition from the old to the new Rosatom.
- 12. (SBU) Rosatom will soon announce the formal "liquidation" of the old structure, Klishina told us. The transition will take about 8-9 months. Rosatom officials tell us the next two or three months may be the most intensive. Rosatom will send employees a two-month "notice letter." The Corporation will offer many employees, but not all, positions in the new structure. Klishina anticipated that all current Rosatom Deputy Directors would carry on into the new Corporation.
- ¶3. (SBU) Klishina observed that the transition was taking place largely as envisioned last fall when the Duma passed the Rosatom Corporation law (ref). Consolidation of the various civil components of Rosatom under Atomenergoprom (AEP) was proceeding. Klishina felt the new structure would serve, as intended, to improve integration and competitiveness. Although the state budget will fund Rosatom Corporation in the early years, Klishina affirmed that the goal is for the Atomenergoprom to turn a profit and become self-sustaining in the medium term. Ultimately, government funding would support only the research and development functions of Rosatom Corporation.
- 14. (U) The GOR released February 7 a preliminary organizational chart of Rosatom Corporation. The chart shows four functional groups: the nuclear weapons complex (composed of 15 enterprises); nuclear and radiation safety, to include the handling of spent nuclear fuel (7 enterprises); scientific, research and training institutions (18 enterprises); and AEP. Under AEP fall 86 institutions and organizations related to the civilian nuclear power industry.
- 15. (U) President Putin named the Rosatom Corporation Supervisory Board in late 2007. The Board consists of the following members:
- ¶S. V. Kiriyenko (Director General of the Corporation)
- 1S. S. Sobyanin (Head of the Presidential Administration)
- S. E. Prikhodko (Assistant to the President)
- 1. I. Shuvalov (Assistant to the President)
- 1L. I. Brichiova (Assistant to the President)
- <u>1</u>A. R. Belousov (Deputy Minster for Economic Development and Trade)
- 1. V. Borovkov (Deputy Chief of Staff of the Government and Head of the Military-Industrial Commission of the GOR)
- MA. V. Bortnikov (Head of the Economic Security Service, FSB)
- N. Verhovtsev (Head of Department 12 of the Ministry of Defense (Nuclear Weapons))